

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES
MADE BY USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL
U.S. GOVERNMENT POLICY

Required Report - public distribution

Date: 12/17/2009

GAIN Report Number: TW9038

Taiwan

EXPORTER GUIDE ANNUAL

2009

Approved By:

Keith Schneller, ATO Director

Prepared By:

Michelle Middleton and Evan Ward, International
Interns

Report Highlights:

Taiwan is a trade-oriented economy and it is affected by fluctuations in the world market. Currently, GDP growth is forecast to be -2.97% in 2009 due to the lingering slowdown in the global economy. As a result of recent changes, relationships with mainland China have been improving and increased trade is expected to continue, which should bring more positive economic prospects in the future. Taiwan is an excellent platform for U.S. companies considering the greater China market. It is the sixth largest market for U.S. agricultural product exports. In 2008 Taiwan imported nearly US\$4.0 billion of agricultural products from the United States. The United States had a 36.8% share of imports, followed by Australia, China, Malaysia and Thailand. Although the majority of U.S. agricultural exports to Taiwan are bulk commodities,

U.S. exports of many consumer-oriented agricultural products, the majority of those being red meats, fresh fruit, poultry, and processed fruits and vegetables are growing at a steady rate.

Post:
Taipei ATO

Commodities:
select

Executive Summary: Taiwan is a trade-oriented economy and it is affected by fluctuations in the world market. Currently, GDP growth is forecast to be -2.97% in 2009 due to the lingering slowdown in the global economy. As a result of recent changes, relationships with mainland China have been improving and increased trade is expected to continue, which should bring more positive economic prospects in the future. Taiwan is an excellent platform for U.S. companies considering the greater China market. It is the sixth largest market for U.S. agricultural product exports. In 2008 Taiwan imported nearly US\$4.0 billion of agricultural products from the United States. The United States had a 36.8% share of imports, followed by Australia, China, Malaysia and Thailand. Although the majority of U.S. agricultural exports to Taiwan are bulk commodities, U.S. exports of many consumer-oriented agricultural products, the majority of those being red meats, fresh fruit, poultry, and processed fruits and vegetables are growing at a steady rate.

Table of Contents

Section I. Market Overview.....	Page 3
General Economy.....	Page 3
Geography and Demographics.....	Page 4
Section II. Exporter Business Tips.....	Page 4
Import Agents.....	Page 4
Entry Strategy.....	Page 5
Sales and Marketing.....	Page 5
Taiwan Business Customs.....	Page 5

Language Barrier.....	Page 6
Food Standards and Regulations.....	Page 6
Section III. Market Sector Structure and Trends.....	Page 6
Food Imports.....	Page 6
Food Processing Sector.....	Page 7
Food Retail Sector.....	Page 8
HRI Food Service Sector.....	Page 9
Organic Market.....	Page 9
Section IV. Best High-Value Product Prospects.....	Page 11
Section V. Key Contacts and Further Information.....	Page 13
Appendix – Statistics	
A. Key Trade & Demographic Information.....	Page 15
B. Consumer Food & Edible Fishery Product Imports.....	Page 16
C. Top 15 Suppliers of Consumer Foods & Edible Fishery Products...	Page 17

I. Market Overview

General Economy

Taiwan has a dynamic, capitalist economy that is ever more involved in the international market. Taiwan's foreign exchange reserves are the world's fourth largest; exceeded only by China, Japan and Russia. The economy achieved slight GDP growth in 2008, expanding at a pace of 0.12%. Currently, GDP growth is forecasted to be -2.97% in 2009 due to the global economic slowdown. Taiwan is a very trade-oriented economy, so it is affected by fluctuations in the world market. Before the global recession, Taiwan's GDP was growing at a rate of 4% – 6% each year since 2002. The economy is expected to begin recovering in 2010.

Taiwan's economy is undergoing fundamental restructuring in response to the challenges posed by the emergence of China as a global manufacturer and consumer. Much of Taiwan's manufacturing capacity has relocated to China due to its appreciating currency, the New Taiwan dollar (NT\$), and rising labor costs. Now Taiwan's domestic production is more focused on services and on high value-added goods. Its IT sector is second only to the United States in its competitiveness, and

Taiwan has become a large producer of high-technology products. The services industry has been growing steadily since 1988, when it was about 50% of Taiwan's GDP, to 73% of GDP in 2009. At the same time agriculture and manufactured goods have been decreasing, and now agriculture only contributes to 2% of GDP and industrial goods are the remaining 25% of GDP. Taiwan's major exports are industrial goods, specifically electronics. This area is hurting from the global recession. Most imports from the U.S. are agricultural, industrial raw materials, machinery and equipment.

Taiwan's largest trading partners (in order) are China, Japan and the U.S. Taiwan is the 12th largest trading partner of the U.S. and the 6th largest market for agricultural products. Japan and the United States have long been the major suppliers of Taiwan's imports. Before 1995, these two countries consistently provided more than half of Taiwan's total imports. In 2008, however, they accounted for 33%, down from 40% in 2004. ASEAN countries have taken advantage of WTO accession of Taiwan in 2002 and are slowly increasing market share in mostly consumer oriented products. Over 90% of Taiwan's imports are raw materials and capital goods.

As a result of recent political changes in Taiwan, relationships with mainland China have been improving and increased trade is expected to continue, which should bring more positive economic prospects in the future. Taiwan is an excellent platform for U.S. companies considering the greater China market. In July 2008, Taiwan implemented direct flights to and from mainland China and additional policy changes to facilitate trade across the Taiwan Straits. China has passed the United States in both exports to Taiwan and in imports received from Taiwan. Exports to China have especially experienced strong growth in the last 10 years. When trade statistics with China began in 1997, merely 0.5% of Taiwan's exports went to China and only 3% of Taiwan imports came from mainland China. In 2008, Taiwan exports to China jumped to 26% and Taiwan imports from China were 12%. Taiwan also invested around US\$75 billion in China in 2008, over half of its foreign direct investment.

	2006	2007	2008
GDP (US\$ billion)	366.4	384.8	392.1
GDP per capita (US\$)	16,111	16,855	17,116
Changes in Consumer Price Index (CPI) (%)	0.60	1.80	3.53
Unemployment Rate (%)	3.91	3.91	4.14
GDP Growth Rate (%)	4.80	5.70	0.12
Average Annual Exchange Rate NT\$ to US\$1.00	32.6	32.4	32.9

Source: Taiwan Directorate General of Budget, Accounting, and Statistics

Advantages	Challenges
Fascination with American culture carries over to American food	Taiwan consumers are price sensitive and not known for their brand loyalty
Taiwan relies heavily on imports and exports	Food safety standards are becoming stricter
Since WTO accession tariffs are lower...	competition from other countries has grown.
American products are perceived to be of a high quality	Many Asian countries offer goods at lower prices
A large percentage of the population speaks English	Asian & European countries are aggressively promoting their food & beverage products

Geography and Demographics

Taiwan is located off the southeast coast of mainland China, south of Japan and north of the Philippines. With a population of 23 million and total area of only about 36,000 square kilometers, it is densely populated with roughly 637 persons per square kilometer. About two-thirds of Taiwan is covered with mountainous terrain. Taipei (7.7 million) in the north and Kaohsiung (2.5 million) in the south are the two largest cities in Taiwan. Taipei is the capital. Kaohsiung and Keelung are the two largest ports in Taiwan and a new port facility is being built on the edge of Taipei in Bali which should further enhance trade in and out of Taipei. Taichung (2.1 million) is Taiwan's third largest city located in central Taiwan.

Taiwan consumers are becoming more sophisticated as their per capita income increases. Double income families as well as single unit households are replacing the traditional extended family. For the food industry this is creating a demand for more Western-style food items, as well as an emphasis on pre-cooked and convenience foods and snacks. Healthier products are in high demand. Also, Taiwan's population is aging. Senior citizens (age 65 and above) currently make up 10% of the island's population, a figure which will continue to grow as birth rates fall and life expectancy increases. Taiwan was recently recognized as having the world's lowest birth rates. This will cause changes in consumption by consumers in Taiwan. Seniors are spending more money on health care and medicine. Less money is being spent on education and clothing. Products with low sugar, low salt, natural, high calcium are most popular among Taiwan's seniors.

Consumer Demographics	2007	2008
Birth Rate (%)	8.9	8.6
Death Rate (%)	6.2	6.3
Age Structure 0-14 years (%)	17.6	17.0
Age Structure 15-64 years (%)	72.2	72.6
Age Structure 65+ years (%)	10.2	10.4
Female Labor Force Participation Rate (%)	49.4	49.7

Source: Directorate General of Budget, Accounting and Statistics

II. Exporter Business Tips

Import Agents

Except for major exporters with their own offices in Taiwan, the appointment of an effective import agent is a critical decision. Invaluable background information can be provided by representatives from the Agricultural Trade Office or representatives of commodity or trade associations such as the American Chamber of Commerce or Import and Export Association of Taipei. See our website at www.usfoodtaiwan.org for a full list of US producer association offices located in Taiwan.

Although factors will vary from case to case, key issues to be considered include:

- What is the extent of the agent's network of distributors, owned or leased storage capacity and owned or leased transport arrangements? In particular, does the agent have strong contacts with the responsible purchasing officers in the target sales channels?
- Does the agent have a high proportion of direct-to-market channels or is he/she heavily

- dependent on multiple distribution levels?
- Is the agent developing added-value communications and promotions or is he/she dependent on price discounts as the major sales tool?
- Does the agent have complementary product lines? Although cases vary, exclusivity can provide better incentives to the agent and can help the exporter to maintain improved supervision over price and product integrity.
- Does the agent have connections to the mainland market for future sales opportunities?

Entry Strategy

Taiwan's convenience store, supermarket and hypermarket chains generally purchase from local importers, wholesalers, and manufacturers. However, a recent tendency is to increase the volume of direct imports to avoid the higher cost of products purchased from importers and local manufacturers. The best method to reach Taiwan's retail buyers and prospective importers initially is to contact them directly via e-mails or faxes. Product catalogues and price lists are essential, and samples are very helpful. U.S. suppliers can obtain lists of Taiwan retail stores and importers from the ATO in Taipei.

A visit to Taiwan is imperative in establishing meaningful relationships with Taiwan buyers. Personal relationships and face-to-face meetings are very important in Asian cultures. It is advisable to bring along samples to meetings with potential buyers while visiting Taiwan, as many importers and retailers rely heavily upon subjective factors when deciding on new products to represent.

The typical Taiwan businessman usually has several interests rather than a single product line. Taiwan consumers' income continues to increase and so does their taste in new products. In order to meet the increasing demand, Taiwan importers keep seeking new products, like new-to-market products and new brands of certain products. On the other hand, many Taiwan importers follow the customary Taiwanese pattern of collecting basic information (samples, catalogues, prices, supply schedule, etc) initially for consideration. A trial order to test the market response might then be placed after further contact. Importers generally specialize in a certain product category, and often join with other importers to consolidate shipments to lower overall costs and risks.

Sales and Marketing

Although sales and marketing techniques in Taiwan are in a process of evolution and development, there remains a high reliance on price discounts in promotion strategies. To minimize reliance on discounting strategies, U.S. food and beverage suppliers, particularly those in higher added value categories, may benefit from a focus on market education and sales training to develop brand recognition (demand-pull) and consumer preference.

Consumer concerns for personal and family health means that foods and beverages believed to provide specific health or nutritional benefits can and often do earn a retail premium above what the market normally bears. Taiwan consumers tend to be less concerned about cost when shopping for products believed to provide benefits and may alter purchasing habits in order to include these foods or beverages in their diet. Bakery products, confectionery, soup, oils & fats, and a wide range of nutritional supplements are just a few examples of product categories for which marketing strategies founded in nutritional and health messages have proven highly successful. Consumers also receive a great deal of sensational news about food safety, which is causing increased concerns and skepticism. This may provide opportunities for U.S. companies to promote brand value through emphasis on natural products and food safety issues.

Taiwan Business Customs

Taiwan businessmen are often refreshingly direct and informal in their business approach, and do not have strict business rituals found in other countries. Nonetheless, there are some local customs that are well worth observing. Greetings and gifts to mark major festivals such as the Mid-Autumn Moon Festival and Chinese New Year are common. These holidays are key sales periods similar to Thanksgiving and Christmas. U.S. companies should consider advanced timing of introducing new products to coincide with these busy holiday gift giving seasons. For examples, baking companies will purchase ingredients as early as April or May for moon cake sales during the Mid-Autumn Moon Festival period which usually falls in/around October. Therefore, introduction of a new ingredient in August to be used in moon cakes would most likely not be considered until a year later.

Although agents and purchasing managers are always searching for new products, they are also very thorough in their evaluation. They like to see product samples whenever possible and will often place small initial shipments to test the market response.

One of the most popular recreations in Taiwan is eating. Even first meetings may be over lunch or dinner. In Taiwan entertaining is not only a basic tool to influence business relationships, it is considered essential to building friendships that will enhance mutual understanding. Food and eating is an important part of Taiwan culture and every type of Chinese cuisine is available in the Taiwan market. More and more ethnic foods are also becoming more popular everyday, but maintain a local, "Taiwan" flavor. Taiwan business people are very gracious and will invite trade contacts to dinner and usually expect to exchange drinking toasts, but rarely drink the high alcohol content "gaoliang" except for special occasions. However, it is common to enjoy red wine with meals and a light amount of toasting each other is important in developing trust and long-term relationships.

Language Barrier

Speaking Mandarin is not essential to doing business in Taiwan. Many people in Taiwan speak English, and interpreters are easy to find. However, written materials like business cards and product brochures will be far more helpful if translated into Chinese.

Many Taiwanese strive to send their children to America's finest universities for higher education. Therefore, a large percentage of Taiwan residents speak fluent English, have lived or studied in the United States, and are intimately familiar with American customs, food, and culture. For example, Costco currently has six successful stores that are full of customers who demand access to the same products they were accustomed to finding at U.S. Costco stores. It is estimated that nearly 70% or more of Costco's inventory is imported, mostly from the United States.

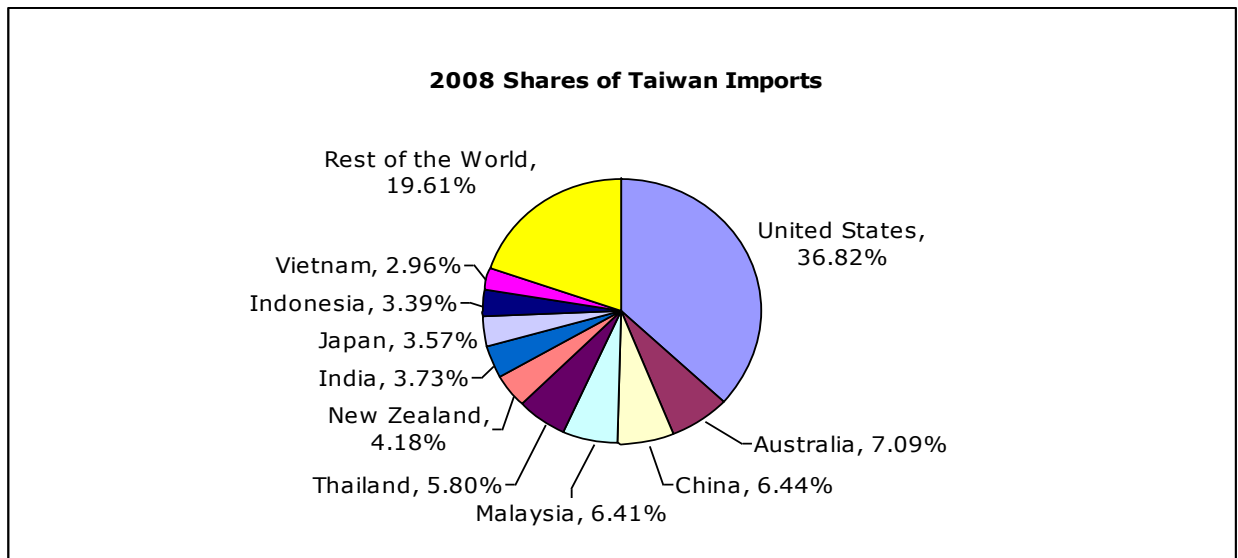
Food Standards and Regulations

U.S. companies are advised to keep in mind the strict product labeling requirements enforced in Taiwan, which require that any health or nutritional claim be first assessed and approved by the Taiwan Department of Health (DOH) prior to inclusion on product packaging. The label must also be translated into Chinese. For more information regarding DOH labeling requirements and food standards, especially for recently imposed requirements for organic food products, please refer to the website for the Agricultural Trade Office in Taipei at: <http://www.usfoodtaiwan.org>.

III. Market Sector Structure and Trends

Food Imports

Taiwan is the sixth largest market for U.S. agricultural product exports. Because only one quarter of Taiwan is arable land, it relies heavily on imports for most of its food products. Domestically, Taiwan produces sugar, yams, rice, tea, pork, poultry, fruits and vegetables, but the United States still supplies many fruits and vegetables to Taiwan. Taiwan's main agricultural imports come from the United States and are soybeans, coarse grains and wheat. In 2008, Taiwan imported nearly US\$4.0 billion of U.S. agricultural products. The United States had a 36.8% share of imports, followed by Australia, China, Malaysia and Thailand. The chart below shows the top 10 countries Taiwan imports from for agricultural products.



The majority of U.S. agricultural exports to Taiwan are bulk commodities. Of the US\$3.5 billion exported to Taiwan in 2008, US\$2.3 billion was bulk commodities. Of those, soybeans exported to Taiwan accounted for US\$952 million and coarse grains US\$814 million. Sixty-seven percent of Taiwan's bulk commodity imports came from the United States. Indian exports grew a decent amount in 2008, but still only has 7% of the bulk market. Taiwan produces most rice domestically, but the United States was Taiwan's main source of rice imports. Thailand passed the United States in 2008, taking 40% of imports while the United States had a 30% share of imports (down from 55% in 2007). The United States also exported US\$795 million in consumer-oriented agricultural products, the majority of those being red meats, fresh fruit, poultry, and processed fruits and vegetables.

Since 2007, countries that depend on imports of basic agricultural commodities for food and feed purposes have had to deal with significant increases in commodity prices as well as transportation costs. While Taiwan has seen some food price inflation, the well-developed economy has been able to absorb the added costs more easily than other import-dependent parts of the world. The result, however, has been an increase in the number of sources from which Taiwan is willing to import commodities. The United States is still seen as a provider of high quality, safe products and is the largest supplier of many food products to the Taiwan market.

Taiwan became a member of the World Trade Organization (WTO) on January 1st, 2002 as a

customs territory, and is called “Chinese Taipei.” The lowering of tariff and non-tariff trade barriers for imports has provided improved market access for a wide range of U.S. agricultural products including fresh produce, dairy products, meat, seafood, and processed food products. Given Taiwan’s relatively small agricultural sector, Taiwan’s dependence on imports is expected to continue to grow. Taiwan’s continued modernization and increased adoption of American and Western food tastes make the country an extremely attractive market for U.S. exporters. On the other hand, WTO accession has also improved access to the Taiwan market for many competitors of the United States which enjoyed high market share in the past. Taiwan is also a safer market to start in for smaller, less experienced U.S. companies interested in exporting goods to mainland China.

Food Processing Sector

The total production value of the domestic food industry in 2007 amounted to approximately US\$14.2 billion, with growth of 7.8% from 2006. The food industry ranks the fourth largest among manufacturing industries in Taiwan, behind electronic/electrical machinery, chemicals, and metal industries. Oriented primarily towards domestic sales, the food industry consists of nearly 6,000 manufacturing enterprises employing more than 109,000 persons. Although Taiwan has a small agriculture sector, it does export some goods.

Overall Taiwan agriculture, fish and forestry exports reached US\$3 billion in 2008, just under a 15% increase from 2007, but of that US\$1.3 billion was only agriculture. Taiwan’s exports went to Japan (30%), the U.S. (14%), Thailand (9.7%), China (6.8%) and Hong Kong (6.6%). Most exports to the U.S. were consumer-oriented foods, like processed fruit and vegetables, snack products, and edible fish and seafood products. Taiwan produced around US\$6.6 billion in its agriculture sector in 2008. Consecutive typhoons caused a decrease in production in 2007, and there has been slow growth since. With implementation of new organic standards for Taiwan, it appears the COA is trying to raise quality standards of Taiwan agriculture products, and is targeting sales to the lucrative Japanese market.

In 2006 and 2007, Taiwan food processors suffered greatly as a result of higher, global commodity prices. On August 1, 2007, the Executive Yuan announced that it would reduce tariffs on imported food products by 50%, as well as official fees on wheat, barley, corn and soybeans.

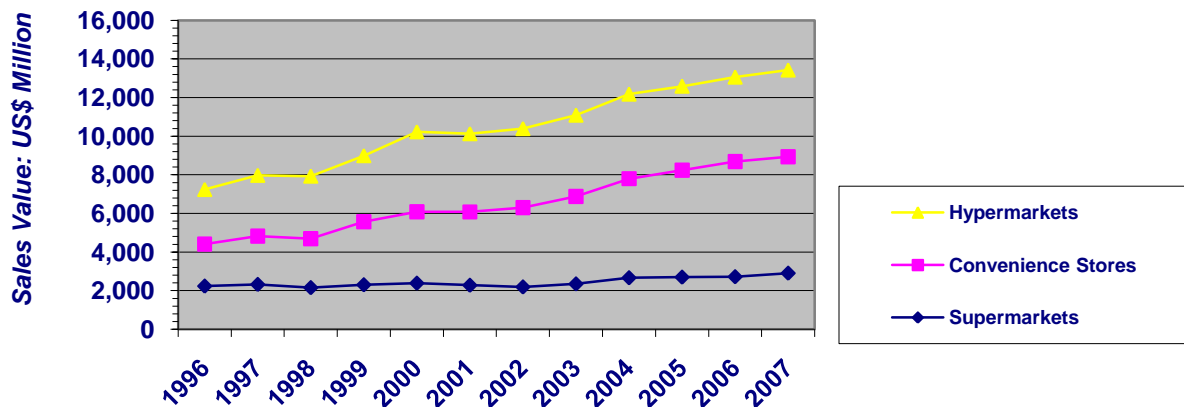
Taiwan’s accession to the WTO has benefited the domestic food processing industry through market liberalization. At the same time, imported finished food products have been taking increased market share from domestically produced products and this trend is expected to continue. Taiwan’s food processing industry is facing vigorous competition in a more open environment. Taiwan’s foreign investments in food processing have grown tremendously in recent years. To take advantage of lower costs and to expand globally, many of Taiwan’s food processors will establish production facilities outside Taiwan. According to the MOEA, as of April 2008, Taiwan’s food and beverage processing companies have invested roughly US\$1.8 billion in the PRC and US\$497 million in other countries (mainly Southeast Asia). Famous Taiwan agricultural companies such as Uni-President and Great Wall have enjoyed great success in developing infrastructure and large scale agriculture and food processing facilities in mainland China.

Food Retail Sector

Taiwan has a very global retail sector, and the economic recession has affected growth of the

retailing sector. This is causing retailers to develop private label brands. Major hypermarket chains like Carrefour, RT Mart and Geant have introduced low cost brands. Convenience stores followed that trend, and 7-Eleven, Family Mart and Hi-Life all have private label brands of bakery products. Convenience stores have still been expanding quickly and experienced good growth despite the depressed economy. Sales over the next five years are expected to grow 29% for hypermarkets and 5% for supermarkets. There is also a significant amount of high-income consumers that purchase premium products and brands. Some retailers like Sogo and Mitsukoshi have premium supermarkets targeting these consumers.

Growth of Taiwan's Retail Food Chain Sector



HRI Food Service Sector

Total sales for Taiwan's food service sector were estimated at US\$9.8 billion in 2007. Fast food experienced the highest growth. Demand has increased as consumer lifestyles become more hectic. Availability, innovation, price and promotion were also driving factors in consumer demand. Food services have added breakfast menus, delivery services and a wider variety of foods. Competition among the various hotel restaurants in Taiwan is intense. Consequently, innovative promotions such as country theme promotions, Taiwan/Western holiday promotions, and seasonal promotions are popular year-round. These promotions offer market opportunities for high quality U.S. food and beverage products.

Taiwan consumers are also dining out much more due to increases in double-income families, who do not have time on weekdays to cook meals and have family time. There is also access to many different places to dine out. The range of options for going out for food is abundant. There are many more independent stores than chains, varying from tea shops to convenience stores to street food stalls. These are generally very affordable as well. In the future, the cafes and bars sector is expected to grow a lot. Many have added meals instead of only carrying beverages, so now when consumers stop by for morning coffee, they can grab breakfast as well. One of the largest areas of growth is in sales of "biandang," or prepared lunchboxes, sold at convenience stores and small cafes and shops around Taiwan. Busy people are tending to purchase these lunchboxes rather than pay full price for a restaurant meal. Most of these lunch boxes consist of a large portion of rice or noodles topped with a meat dish and 2-3 vegetables on the side. A large percentage of the chicken used in these boxes comes from the United States.

Current Trends	Impact
Home delivery service (year-round or just during holiday seasons)	Large increase in sales because it is so convenient, although it is costly to implement
Popularity of TV cooking programs featuring gourmet foods	Sales increase from brand recognition and improved consumer knowledge
Increased Taiwanese tourism around Taiwan on the High Speed Rail (HSR)	Train stations have fast food, convenience stores, kiosks, shopping malls, etc. with rising sales
Fusion cuisine (primarily with Southeast Asian/Pacific cuisines)	Immigrants from Southeast Asia are increasing as is demand for their native cuisines
Increase in breakfast consumption (including drinks like coffee or milk)	Cafes/bars, fast food and convenience stores are now selling prepared breakfasts
Popularity of noon lunchboxes sold at convenience stores	Lunchbox sales take away profit from full restaurant meals, but are good alternatives during economic downturn

Organic Foods

A dominant trend in Taiwan is the demand for healthier products and ways to live healthier lives. Organic foods are becoming popular in Taiwan as its consumers for more natural and environmentally friendly products. The organic segment of the Taiwan food market is growing rapidly as consumers become more aware of available products. Most organic products are imported because there is limited domestic production.

The Taiwan Council of Agriculture announced recently that the USDA's National Organic Program standards are equal with Taiwan's standards. To import products into Taiwan, an application must be completed to sell products as organic¹. With the application, importers must include a photocopy of their business registration certification, documents showing that the imported products have been granted organic certification, related quarantine documents, Chinese product labeling, and any other documents required by the central competent authority.

The central competent authority issues an organic labeling approval document with the name and address of the importer, name of the factory/farm in foreign countries, name and batch number of products, weight or volume of products, name of the certification body, and the number of the organic labeling approval document. This number must then be applied to the Chinese label of the product for retail sale along with the US organic certification agency that issued the original organic certifications. For more information, please see the ATO Taipei's website at

<http://www.usfoodtaiwan.org>.

IV. Best High-Value Product Prospects

Product	2007 Imports (US\$Mil)	2008 Imports- (US\$Mil)	5-Yr. Avg. Annual Import Growth	Import Tariff Rate	Key Constraints Over Market Development	Market Attractiveness for USA
Grape Wines	\$93	\$96	21%	10-35% depends on value and alcohol	French wine still dominates the red wine market. Knowledge about wines is	Currently, the U.S. is Taiwan's third largest wine supplier. Despite the front-runner position of

¹ The application fees are NT\$500 for 1-5 products, NT\$1,000 for 6-10 products, NT\$1,500 for 11-20 products and NT\$2,000 for over 20 products (1 US\$ = 32.7 NT\$ as of June 2009).

				content Sparkling wines-20%	generally low throughout wine distribution channels.	French wines, U.S. wines continue to gain consumer recognition and acceptance. The growth was fueled by the perception that wine (red) is good for health.
Cheese	\$74	\$79	19%	5%	Although the import volume is large, it is dominated by New Zealand (34%) and Australia (22%).	The U.S. share is growing faster than other large competitors, meaning that the U.S. cheese currently coming into the market is finding faster acceptance than those of competitors and is competitively priced for various reasons.
Pork	\$21	\$52	24%	12.5% or 15% depending on part ²	Domestic producers have an advantage in market accessibility	There are growth opportunities for U.S. pork that meets local food processors' needs, however, there are SPS issues related to the growth drug ractopamine.
Fresh Fruit	\$321	\$392	9%	Varies greatly by type	Taiwan's WTO accession in 2002 opened up the island's fruit market. Consequently, competition, in terms of new suppliers and new varieties from both abroad and domestic producers, is intensifying.	Effective marketing programs targeting reliable quality, competitive pricing, and brands of U.S. fruits have been undergone by US producer associations could help retain and improve the market for U.S. fruit in Taiwan. Expensive fruit from Japan and Korea is becoming increasingly popular.
Poultry	\$73	\$108	27%	20%	The TRQ controls on chicken meat was eliminated in January 2005 and replaced by ordinary tariffs. However, an SSG assessment would add an estimated 33% to normal tariffs, resulting in an effective tariff of about 26.33% for chicken meat.	The U.S. is currently in a strong supply position with market share greater than 82%, being one of only six countries certified for poultry exports to Taiwan and the only one of these with sufficient volumes and competitive pricing points.
Tree Nuts	\$54	\$57	6%	Sweet almonds: in shell 5%; shelled 2.5% Bitter almonds: 10%	Currently, the US dominates the market for almonds, pecans, and walnuts. Cashews from China and SE Asia have shifted some market share away from U.S. suppliers. The greatest competition to US	Nuts (mainly almonds, and walnuts) are very popular as ingredients used in baking. The US currently dominates these categories. Constant communication with the baking industry technical seminars and trade shows is essential to grow in this

² Certain parts are 20% (bellies), 30% (whole carcass), 33% (shoulders), 35% (bone with meat) or 40% (pork belly)

				Hazel nuts: shelled 7% In-shell 7.5% Walnuts 5% Pistachios 3% Pecan 7.5%	pistachio exporters is from Middle East and Australia.	category. There is also great potential for increased use of pecans in Taiwan, but more needs to be done to show baking industry how to use more pecans in their products.
Beef	\$316	\$357	8%	Beef-Nt\$10 per kg	Beef-The primary competitor is Australia and New Zealand, whose advantage is customer-perceived comparable/acceptable quality at a low price. US share has rebounded back to pre-BSE levels of about 30%.	U.S. beef is perceived to be of high quality, but has stalled recently due to negative publicity of November 2009 opening of Taiwan market to all US beef cuts.
Seafood	\$412	\$573	14%	9%-38%	With a bias towards fresh fish and SE Asia-variety crustaceans, US suppliers need to work harder to maintain market share in this lucrative market.	The food service/HRI venues with a strong Western orientation and up-market positioning offer the current best opportunities for U.S. exporters.

Source: Global Trade Atlas

V. Key Contacts and Further Information

American Institute in Taiwan

Organization Name Agricultural Trade Office
Address Room 704, 7F, 136 Renai Road, Section 3, Taipei, Taiwan
Telephone (886-2) 2705-6536; Fax: (886-2) 2706-4885
E-mail ATOTaipei@usda.gov
Internet Homepage <http://www.usfoodtaiwan.org>

Organization Name Agricultural Affairs Office
Address No. 7, Lane 134, Hsin-Yi Rd., Sec. 3, Taipei, Taiwan
Telephone (886-2) (886-02)2162-2316; Fax: (886-02) 2162-2238
E-mail AGTaipei@usda.gov
Internet Homepage <http://www.usfoodtaiwan.org>

Organization Name United States Department of Agriculture
Department Foreign Agricultural Services
Address U.S. Department of Agriculture, Washington, D.C. 20250
E-mail info@fas.usda.gov
Internet Homepage www.fas.usda.gov

Taiwan Central Authority Agencies

Organization Name Bureau of Standards, Metrology & Inspection (BSMI), M.O.E.A., R.O.C.
Address No. 4, Jinan Road, Section 1, Taipei, Taiwan
Telephone (886-2) 2343-1700; Fax: (886-2) 2356-0998
Internet Homepage <http://www.bsmi.gov.tw>

Organization Name Council of Agriculture (COA), Executive Yuan, R.O.C.
Address No. 37, Nanhai Road, Taipei, Taiwan
Telephone (886-2) 2381-2991; Fax: (886-2) 2331-0341
E-mail coa@mail.coa.gov.tw
Internet Homepage <http://eng.coa.gov.tw>

Organization Name Bureau of Animal & Plant Health Inspection & Quarantine (BAPHIQ), COA, Executive Yuan, R.O.C.
Address 9 Fl., No. 51, Chungching S. Rd, Sec. 2., Jungjeng Chiu, Taipei, Taiwan
Telephone (886-2) 2343-1401; Fax: (886-2) 2343-1400
E-mail baphiq@mail.baphiq.gov.tw
Internet Homepage <http://www.baphiq.gov.tw>

Organization Name Department of Health (DOH), Executive Yuan, R.O.C.
Department Bureau of Food Sanitation
Address No. 100 Aikuo E. Road., Taipei, Taiwan
Telephone (886-2) 2393-8209; Fax: (886-2) 2392-9723
Contact Person Dr. Lu-hung Chen, Director
E-mail fslhcn@doh.gov.tw
Internet Homepage <http://www.doh.gov.tw>

Organization Name Directorate General of Customs, Ministry of Finance, R.O.C.
Address No. 13, Ta-Cheng Street, Taipei, Taiwan
Telephone (886-2) 2550-5500; Fax: (886-2) 2550-8111
E-mail mgr@webmail.customs.gov.tw
Internet Homepage <http://eweb.customs.gov.tw>

Organization Name Food Industry Research and Development Institute (FIRDI)
Address 331 Shih-Pin Road, Hsinchu, Taiwan
Telephone (886-3) 5223191; Fax: (886-3) 5214016
Internet Homepage <http://www.firdi.org.tw>
Organization Name Bureau of Foreign Trade (BOFT), Ministry of Economic Affairs
Address No. 1, Hu Kou Street, Taipei, Taiwan
Telephone (886-2) 2351-0271; Fax: (886-2) 2351-3603
E-mail boft@trade.gov.tw
Internet Homepage <http://eweb.trade.gov.tw>

Major Taiwan Trade Associations

Organization Name Taiwan Chain Stores and Franchise Association (TCFA)
 Address 4F, 180 Nanking E. Road, Section 4, Taipei, Taiwan
 Telephone (886-2) 2579-6262; Fax: (886-2) 2579-1176
 Internet Homepage <http://www.tcfa.org.tw>

Organization Name Taiwan External Trade Development Council (TAITRA)
 Address 333 Keelung Road, Sec. 1, 5-7 Fl., Taipei Taiwan
 Telephone (886-2) 2725-5200; Fax: (886-2) 2757-6245
 Internet Homepage www.taiwantrade.com.tw

Organization Name Importers and Exporters Association of Taipei (IEAT)
 Address No. 350, Sung Chiang Road, Taipei, Taiwan
 Telephone (886-2) 2581-3521; Fax: (886-2) 2523-8782
 E-mail ieatpe@ieatpe.org.tw
 Internet Homepage <http://www.ieatpe.org.tw>

Organization Name Kaohsiung Importers & Exporters Association (IEAK)
 Address 4F, 472 Chung Shan 2nd Road, Kaohsiung, Taiwan
 Telephone (886-7) 241-1191; Fax: (886-7) 201-6193
 E-mail kieanet@ms15.hinet.net

Organization Name Tainan Importer & Exporter Chamber of Commerce (IEATainan)
 Address 5F, 50 Cheng Kong Road, Tainan, Taiwan
 Telephone (886-6) 226-7121; Fax: (886-6) 226-7124
 E-mail a2267121@ms17.hinet.net

Appendix - Statistics

Table A. 2008 Key Trade & Demographic Information		
Agricultural, Fish, & Forestry Imports From All Countries (\$Mil)/U.S. Market Share (%)	\$10,880	37%
Consumer Food Imports From All Countries (\$Mil)/U.S. Market Share (%)	\$3,230	28%
Edible Fishery Imports From All Countries (\$Mil)/U.S. Market Share (%)	\$573	4%
Total Population (Millions) Annual Growth Rate (%)	23	0.34%
Urban Population – localities of 150,000 or more (Millions)/Annual Growth Rate (%)	12.6	0.38%
Number of Major Metropolitan Areas	7	
Per Capita Gross Domestic Product (U.S. Dollars)	\$17,116	

Unemployment Rate (%) (As of June 2009)	5.75%	
Per Capita Food Expenditures (U.S. Dollars)	\$2,211	
Percent of Female Population Employed	49.7%	
Exchange Rate (US\$1=NT\$)	32.69	

Source: Global Trade Atlas **Appendix – Statistics**

Table B. Consumer Food & Edible Fishery Product Imports									
Taiwan Imports (US\$Million)	Imports from the World			Imports from the U.S.			U.S. Market Share		
	2006	2007	2008	2006	2007	2008	2006	2007	2008
CONSUMER-ORIENTED AGRICULTURAL TOTAL	2,719	2,927	3,230	743	744	908	27%	25%	28%
Snack Foods (Excl. Nuts)	123	129	138	11	14	20	9%	11%	14%
Breakfast Cereals & Pancake Mix	10	11	14	4	4	8	40%	38%	56%
Red Meats, Fresh/Chilled/Frozen	441	429	526	128	121	174	29%	28%	33%
Red Meats, Prepared/Preserved	4	4	5	3	3	3	63%	66%	73%
Poultry Meat	84	73	108	82	67	88	98%	91%	81%
Dairy Products (Excl. Cheese)	198	268	232	8	7	12	4%	3%	5%
Cheese	57	74	79	7	9	11	12%	12%	14%
Eggs & Products	8	10	11	1	1	1	20%	5%	5%
Fresh Fruit	333	321	392	144	141	177	43%	44%	45%
Fresh Vegetables	75	83	91	27	33	37	36%	40%	20%
Processed Fruit & Vegetables	196	214	236	72	72	85	37%	34%	36%
Fruit & Vegetable juices	33	37	41	5	5	8	15%	12%	19%
Tree Nuts	51	54	57	19	23	20	37%	43%	35%
Wine & Beer	161	190	205	20	21	19	12%	11%	9%
Nursery Products & Cut flowers	20	20	21	0.3	0.1	0.4	.13%	.05%	.18%
Pet Food (Dog & Cat Food)	63	68	77	26	27	30	41%	40%	40%
Other Consumer-Oriented Products	863	940	997	186	196	216	22%	21%	21%
FISH & SEAFOOD PRODUCTS	346	412	573	27	26	23	8%	6%	4%
Salmon	42	49	48	0.4	1.2	1	1%	2%	2%
Surimi	28	35	50	4	3	2	13%	9%	5%
Crustaceans	142	160	237	14	9	6	10%	5%	3%
Groundfish & Flatfish	22	25	55	2	3	3	9%	11%	6%
Molluscs	43	59	81	3	3	3	7%	5%	4%
Other Fishery Products	70	84	102	4	7	8	6%	8%	7%
AG PRODUCTS TOTAL	6,624	7,574	9,011	2,714	3,346	3,924	41%	44%	44%
AG FISH & FORESTRY TOTAL	8,196	9,291	10,880	2,811	3,436	4,006	34%	37%	37%

Source: Global Trade Atlas **Appendix – Statistics**

Table C. Top 15 Suppliers of Consumer Foods			
Taiwan Imports - Consumer-Oriented Ag Total (US\$1,000)			
Country	2006	2007	2008
United States	743,111	744,173	907,516
New Zealand	331,673	391,087	394,465
Australia	282,390	276,948	266,441
Japan	197,874	217,756	236,378
China	178,190	219,829	224,529
Netherlands	127,146	135,063	151,503
France	101,057	127,300	139,208
Thailand	112,501	120,057	134,756
Canada	65,569	69,878	106,150
Chile	73,362	64,781	76,897
South Korea	58,708	60,231	67,293
Vietnam	41,780	47,856	57,891
Germany	30,582	36,681	42,535
Malaysia	51,811	49,090	42,448
Italy	31,708	36,743	39,992
World Total	2,719,420	2,927,212	3,229,750

Table C. Top 15 Suppliers of Consumer Foods			
Taiwan Imports - Fish & Seafood Products (US\$1,000)			
Country	2006	2007	2008
China	15,200	42,210	71,640
Vietnam	9,006	23,686	70,954
Thailand	37,398	33,279	48,508
Indonesia	32,414	32,095	44,055
Norway	20,493	47,705	43,955
Australia	31,805	26,843	37,179
Japan	19,595	29,731	34,397
Chile	17,622	20,036	23,578
United States	27,418	25,770	23,285
Canada	30,542	17,816	21,968
India	12,454	17,252	21,156
Philippines	19,141	18,024	20,982
Malaysia	3,338	4,952	11,227
Peru	5,520	6,243	9,734

Mexico	13,381	8,818	9,379
World Total	345,707	411,682	572,809

Source: Global Trade Atlas